

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

**HEARING DATE
August 22, 2019 at 10:00 a.m.**

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IN RE:

Chapter 11

SEARS HOLDING CORPORATION, INC, et al,

Debtors.¹

Case No. 18-23538 (RDD)
(jointly administered)

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**NOTICE OF MOTION OF IQ9-200 SW C AVE, LLC FOR AN ORDER
PURSUANT TO 11 U.S.C. §503(a), 503 (b)(1)(A), and 507(a)(2),
FOR THE PAYMENT OF ADMINISTRATIVE EXPENSES**

PLEASE TAKE NOTICE, that **IQ9-200 SW C AVE, LLC (“IQ9”)**, by and through its undersigned counsel Aronauer & Yudell, LLP, will move this Court for the entry of an order pursuant to 11 U.S.C. §§ 365(d)(3), 503 and 507(a)(2), for the payment to IQ9 of an Administrative Expense in the total sum of \$20,844.97 (the “Motion”). A hearing on the annexed Motion will be held before the Honorable Robert D. Drain, United States

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart stores of Texas LLC (8915); MyGofer LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Bankruptcy Judge, for the Southern District of New York, 300 Quarropas Street, White Plains, New York 10601 (the “**Bankruptcy Court**”), on **August 22, 2019** at **10:00 a.m.** (EST), or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that any responses or objections (the “Objections”) to the Motion shall be in writing, shall conform to the Bankruptcy Rules and the Local Rules, shall be filed with the Bankruptcy Court and served in accordance with the Amended Order Implementing Certain Notice and Case Management Procedures, entered on November 1, 2018 (ECF No. 405), so as to be filed and received no later than **August 15, 2019** (the “**Objection Deadline**”).

PLEASE TAKE FURTHER NOTICE that if no Objections are timely filed and served with respect to the Motion, the relief requested in the Motion may be granted without a hearing.

Dated: July 10, 2019

ARONAUER & YUDELL, LLP
Attorneys for IQ9-200 SW C AVE, LLC

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IN RE:

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SEARS HOLDING CORPORATION, INC, et al,

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Case No. 18-23538 (rdd)
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**APPLICATION OF IQ9-200 SW C AVE, LLC (STORE NO. 238)
FOR PAYMENT OF ADMINISTRATIVE EXPENSES**

IQ9-200 SW C AVE, LLC ("IQ9"), by and through its attorneys Aronauer & Yudell, LLP, hereby request, pursuant to 11 U.S.C. §503, and 507(a)(2), the payment of administrative expenses in the total sum of \$20,844.97 as more fully detailed herein.

Background

1. On or about October 15, 2018 the Debtor filed petitions for bankruptcy relief pursuant to Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"). The Debtor has continued to operate its business and manage its properties as a debtor-in-possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

2. IQ9 is the owner of the real property located at 428 SW C Avenue, Lawton, Oklahoma (the "Property"). IQ9 is the successor landlord and Sears is the tenant under

a lease dated August 17, 1978 (the “Lease”). The building located on the Property housed a Sears store known as store number 2381.

3. Debtor determined to reject the lease by application dated October 15, 2018. See Docket No. 25. By Order dated November 19, 2018, the rejection was made effective as of November 19, 2018. See Document No. 810.

4. IQ9 is the owner of the Property. A copy of the deed for the Property to IQ9 is annexed as Exhibit A. As such, IQ9 became the successor landlord under the Lease. A copy of the Lease is annexed as Exhibit B.

5. The post-petition amount due under the Lease consists of the November 2018 rent of \$20,844.97. This rent was due before November 10, 2018. See Exhibit B: Lease, page 26.

6. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 157 and §1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

7. Bankruptcy Code § 365(d)(3) requires payment of all rents reserved under a lease until it is assumed or rejected. This requirement is independent from the

obligations required to establish an administrative claim. See In re Mainstream Access, Inc., 134 B.R. 743, 749 (Bankr. S.D.N.Y. 1991). See generally 3 Collier's on Bankruptcy, ¶ 365.04[b] (16th ed. 2019).

WHEREFORE, IQ9 respectfully requests the entry of an order directing Sears to forthwith pay the sum of \$20,844.97 to IQ9 as and for an administrative expense and granting such other and further relief as is just and proper.

Dated: July 10, 2019

ARONAUER & YUDELL, LLP

Attorneys for IQ9-200 SW C AVE, LLC

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